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CYBERSECURITY EVENT
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Thank you Ann Beauchesne and the U.S. Chamber for hosting this event. Also, thank you to DHS's Greg Schaffer and the Cyber Security Alliance's Mike Kaiser for your leadership.

I'm pleased to be here with all of you today to highlight National Cyber Security Awareness Month and a new report by Symantec that sheds new light on our cybersecurity challenges.

To help meet these challenges, I'm particularly pleased to announce today the FCC's new Small Biz Cyber Planner, a free online tool that will help small businesses protect themselves from cybersecurity threats. This will be released in just a few weeks.

As this audience knows, the ability of small businesses to seize the benefits of new communications technology is critically important to our country, as is the ability of small businesses to tackle the threats to those benefits, especially in the area of cybersecurity.

There is nothing "small" about the impact of America's small businesses: they are key drivers of innovation, economic growth and job creation. Small businesses employ more than half of all private sector workers, and they have generated about two-thirds of net new jobs over the past fifteen years. Small businesses drive innovation and are responsible for so many breakthroughs; they produce thirteen times more patents per employee than large ones.

More and more, small businesses rely on broadband and communications technology to drive this success. Broadband connectivity and online business tools enable small businesses to grow, reach new markets, and drive sales and revenue. And broadband-enabled cloud-based services enable small businesses to manage their operations more efficiently, lowering costs. Higher sales and lower costs equal more small business profit, which they can and will reinvest in their businesses, including by creating new jobs.

The online marketplace is the new Main Street in America. That's true whether the online marketplace is reached through an app, social network, or a website, whether wired or wireless.

And in fact broadband Internet is a catalyst for small business growth all over the country, not just our tech centers. More than one million entrepreneurs – many of

them small business owners – are selling products on now-established platforms like eBay and Amazon. And these top sellers are located in communities like Indian Trail, North Carolina, and Stafford, Texas. Then you have newer websites like Etsy, a platform, in its words, for “very very small businesses” all over the place, that’s already generating \$400 million in annual sales.

Broadband is also creating large numbers of jobs at different skill levels, and also all over the country. In just the past three years LivingSocial, Groupon and other daily deal sites have created thousands of street-level sales jobs in the U.S. in more than two hundred different local markets, and growing. And these and other companies are offering products of value to small businesses, helping them reach and acquire potential customers and grow their businesses.

A 2011 recent Connected Nation study found that having a broadband connection makes a \$200,000 a year difference in median annual revenues for businesses, by helping them reach new markets and increasing productivity.

We are hard at work at the FCC making sure that small businesses everywhere can achieve the business benefits of high-speed Internet.

This week the FCC will vote on a plan to modernize the Universal Service Fund. If adopted, our plan will help bring broadband to millions of people in unserved parts of rural America, and put us on the path to universal broadband by the end of the decade. Connecting these communities will create and save businesses that otherwise couldn’t exist, helping entrepreneurs and consumers in small, rural towns across America. It will also significantly increase the size of America’s overall online marketplace, helping small businesses grow all over the country.

So, we know that the benefits of information technology and high-speed Internet are real, but so are the security challenges. We are here today because security is a significant threat to the online opportunity for small businesses, and because it’s vital that small businesses take the necessary steps – generally simple steps – to increase their protection against cyber threats.

Small businesses that don’t take protective measures are particularly vulnerable targets for cybercriminals. With larger companies increasing their protections, small businesses are now the low hanging fruit for cyber criminals.

A recent study found that American small businesses lose billions annually to cyber attacks. The cost of each individual cyber attack to small and medium sized businesses averages about \$200,000. Contrast that with the Connected Nation study that projects \$200,000 in increased annual revenue, and you see that failure to take cybersecurity seriously can potentially negate the benefits of being online.

Earlier this year at an FCC roundtable we heard firsthand from a small business owner of a local construction company, whose bank account was hacked through an email phishing scheme. The business lost tens of thousands of dollars.

But there is good news. Small businesses can take basic steps to protect themselves. Examples include:

- Making sure that WiFi routers are secure;
- Encrypting data on computers;
- Installing anti-virus and other security software; and
- Training employees on basic protection measures around emails and online searching.

Don't click on a link in an email from someone you don't know. Don't download a document from an unknown source. Make sure your WiFi routers are password protected.

Simple steps – but too many small business employees are unaware of the basic rules.

Earlier this year the FCC released a Cybersecurity Tip Sheet for small businesses that includes many of these basic tips. This was a joint effort that included the Small Business Administration, the U.S. Chamber of Commerce, Symantec, McAfee, HP, and the National Urban League. We deliberately teamed together on one document because our goal is to educate consumers, not increase consumer confusion. I am pleased that one of our partners in that effort, HP, has made this tip sheet a part of the information packaged with their devices.

A joint study by Symantec and NCSA being released today shows that while two-thirds of small businesses became more dependent on the Internet in the past year, only 52% of small businesses have a basic cybersecurity strategy or plan.

Since we know that not having a cybersecurity plan leaves small businesses open to costly cyber attacks, we are announcing today an initiative to help more small businesses develop cybersecurity plans. In an unprecedented collaboration with government experts and private IT and security companies, the FCC will release an easy-to-use tool next month to help small businesses customize their own cybersecurity defenses.

The Small Biz Cyber Planner online tool will enable any small business to create a customized plan tailored to its cybersecurity needs, simply by answering a few basic questions, such as “Does your business use credit cards?” or “Does your business have a public website?” By using this tool and implementing the planning

guide, businesses can protect themselves, their information, and their customers from cyber-threats.

We know that hiring cybersecurity experts is costly. This tool will be of particular value for businesses that lack the resources to hire a dedicated staff member to protect themselves from cyber-threats. Even a business with one computer or one credit card swiper can benefit from this important guidance.

And we also know that small business owners are busy – so this tool is purposely designed to be simple, quick and effective.

The key points here are these:

One, the wired and wireless broadband opportunity for small businesses is real and significant – increasing sales, decreasing costs, and creating new jobs.

Two, the cyber threat to small businesses is also real and significant.

Three, there are steps small businesses can take to guard against cyberthreats – every small business should have a cybersecurity plan, and the tip sheet and cyber tool we are releasing can significantly help achieve that goal and increase small business security.

I'd like to thank our partners, most of which are in this room today, including DHS, NCSA, the U.S. Chamber of Commerce, The Chertoff Group, Symantec, Sophos, Visa, The Identity Theft Council, ADP, Bank of America and others who provided their expertise to this project.

Through the use of this tool and the education and outreach efforts by the FCC, DHS and our partners, we can boost the number of small businesses who have cybersecurity plans, saving them millions in avoided losses and millions of headaches.

The stakes are high. But with government and the private sector working together, I am confident we will overcome our cybersecurity challenges and help ensure that U.S. small businesses remain an engine of economic growth and job creation.

Thank you.